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Continental Can Company, Inc.

Annual Report 1964

Continental Can Company, Inc.
633 Third Avenue, New York, N. Y. 10017

CONTINENTAL CAN COMPANY, INC., ANNUAL REPORT 1964

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From pines to paperboard—expansion is the word at Continental's largest mill in Augusta, Georgia. A new mill, expanding the capacity of this plant more than 50 per cent, is under construction on adjoining land.

Notice of Annual Meeting

The Annual Meeting of the Stockholders will be held at the Biltmore Hotel, Madison Avenue and 43rd Street, New York City, on Tuesday, April 27, 1965 at 10:00 o'clock, A.M., New York City time.

HIGHLIGHTS OF THE YEAR

	1964	1963
Net Sales and Operating Revenues	**$1,198,120,000**	$1,154,024,000
Earnings—		
Before income taxes	**$ 93,169,000**	$ 85,212,000
% of sales	**7.8%**	7.4%
After income taxes	**$ 48,869,000**	$ 40,112,000
% of sales	**4.1%**	3.5%
Per Common Share*	**$ 3.97**	$ 3.27
Reinvested in the business	**$ 24,117,000**	$ 15,535,000
Per Common Share*	**$ 1.98**	$ 1.28
Dividends to Common Stockholders	**$ 24,298,000**	$ 24,093,000
Per Common Share**	**$ 2.00**	$ 1.95
Capital Expenditures	**$ 58,900,000**	$ 56,100,000
Working Capital—December 31	**$ 176,483,000**	$ 177,202,000
Common Shares Outstanding—December 31	**12,188,295**	12,126,448

* *Based on number of Common Shares outstanding at year end.*

** *On June 15, 1963 the quarterly Common Stock dividend was increased to 50 cents, equivalent to a $2.00 annual rate per share.*

To Our Stockholders:

Record Earnings and Sales

1964 was an excellent year for our Company—in fact, it was Continental's best year ever. Earnings in 1964 reached a new high level, both before and after income taxes; net earnings per share of $3.97 exceeded 1963 earnings by 70 cents. Return on sales increased from 3.5% in 1963 to 4.1% in 1964, our fourth successive year of improvement.

It is gratifying to report these record earnings in a year in which wages and other costs continued to increase and were offset only slightly by modest advances in some sales prices. Every division of our Company improved production methods and reduced operating costs substantially and we have every reason to expect further profit improvement from such continued emphasis on better plant performance.

Growth in sales volume supported the earnings increase. Sales in 1964 were $44,000,000 higher than in 1963, an increase of 3.8%; if we exclude the glass container plants that were sold during 1964, sales for all other operations increased by $54,100,000 or 4.9%. A vigorous pace of business in most package-using industries was spurred by continuing consumer enthusiasm for the packages produced by our Company.

Operating Highlights

Metal can operations again benefited from strong participation in the steadily growing demand for beer and soft drinks in cans and for aerosol dispensed products. Canned fruit and vegetable packs in general approached normal levels, recovering from the low level of 1963.

Our paperboard mills operated at or near capacity throughout the year and our paper products operations posted new records for production and earnings. More than two-thirds of the paper and paperboard produced in our mills was converted into a great variety of paper products in Continental's many plants. We foresee an immediate market for the increased output of our expanded Augusta mill as it comes on stream in 1966.

In our Plastics and Closures Group, the performance of our White Cap and Flexible Packaging divisions was particularly outstanding.

Continental Can Company of Canada, under all-Canadian management, posted another year of greater sales and income, with all product lines exceeding their 1963 performance.

Continental's Overseas Division also had an excellent year. Export sales and income from license and technical service agreements increased. New agreements were concluded and further investments were made in associated companies in Western Europe, which are continuing to grow and prosper. New facilities were constructed to expand our company-owned operations in Colombia and Brazil.

Major new facilities and projects included in our capital expenditure programs for 1964 and 1965 are detailed in the Financial and Operating Review section of this report. In 1964 our capital expenditures amounted to 59 million dollars. Because of a major expansion at our bleached board mill in Augusta, capital outlays in 1965 will increase to about 80 million dollars. Our strong working capital position and funds generated internally in 1965 will permit this expanded capital program without new financing.

In June agreements were completed with Cox Enterprises, Inc. for the sale of bleached sulphate pulp and other services to a newsprint mill which this leading newspaper publisher is constructing on property adjacent to our mill in Augusta. Our power and steam generating plant at Augusta is being expanded and will be operated jointly with Cox Enterprises, Inc. to service both companies at substantial savings in the cost of power and steam.

In September we concluded an agreement with the Occidental Petroleum Corporation for the sale of the phosphate deposits discovered under our forest lands in Florida. Occidental's

mining operations are expected to begin before the end of this year. This project requires no capital outlay by Continental.

Because of changed customer requirements, three Metal Division plants—two in California (Oakland and Merced) and one in Baltimore, Maryland—have been closed and the operations have been transferred to other plants.

Glass Container Plants

In June 1964 the U. S. Supreme Court reversed the favorable decision of a lower court on our acquisition of the Hazel-Atlas Glass Company. In the light of this decision, we decided to sell our glass container plants rather than continue costly and prolonged litigation with the outcome uncertain. Accordingly, in October eight plants were sold to the Brockway Glass Company for one million shares of Class B common stock of Brockway. This represents approximately a 42% equity in Brockway for Continental. In December our one remaining glass container plant at Plainfield, Illinois, was sold to Alexander H. Kerr and Company.

Based on our knowledge of the programs planned by Brockway and made possible through facilities and expanded markets now available to them, it is our opinion that in due time these Brockway shares will represent a very substantial value to our stockholders.

Consumer Products

Our line of glassware products—marketed under the name "Hazelware"—is not affected by the settlement of the Hazel-Atlas suit, and the Clarksburg, West Virginia plant at which "Hazelware" is made remains in the Continental family. This plant was profitable in 1964 and prospects for further profit improvement are excellent. It will be operated as part of a newly formed Consumer Products Division in which we have consolidated the sales and marketing of all consumer products. In addition to "Hazelware", this includes our "Bondware" paper plates and cups and our "Decoware" metal housewares. We are confident that the new Consumer Products Division will not only broaden sales coverage of retail outlets, but will also develop and add new items where profit margins are better than in many of our industrial lines.

Employee Relations

During 1964 labor contract negotiations were successfully concluded in 41 plants of the Company. The negotiations involved 6,000 of our 33,000 organized employees. The costs of the settlements ranged from 2½% to 3% of average hourly earnings and were within the pattern of settlements in the specific segments of the packaging industry involved. Agreements were reached without incident except in two locations. A strike of eleven weeks occurred at the Philadelphia Corrugated Container Plant and one at the St. Louis Fibre Drum Plant is still in progress as this report goes to press.

The Master Agreements with the United Steelworkers of America and the International Association of Machinists, expiring on October 1 and December 1 of 1964, were extended to March 1, 1965. These two agreements cover approximately 16,000 employees engaged principally in our metal can operations. Negotiations with the United Steelworkers were recessed by mutual agreement on January 26th, to be resumed as soon as possible after the internal union elections on February 9th. As this report goes to press negotiations have been resumed and are in progress.

Our Organization

We have for many years believed that best results can be obtained when responsibility for operations and authority necessary to discharge responsibility are decentralized. Thus each of our product division General Managers continues to have full responsibility for the profits of his division and authority to direct sales and manufacturing activities to achieve his division's profit goals.

In this effort the division General Managers are assisted by certain corporate staff groups—credit, purchasing, traffic, and finance—whose

functions apply to all divisions and are most efficiently managed from the corporate level. And, of course, group and corporate officers remain responsible for formulation and execution of policies in matters extending beyond the scope of operations of any one product division.

During 1964 we made certain organization and personnel changes intended to strengthen Continental's management team. These changes and the names of the executives responsible for each major segment of our Company are listed elsewhere in this report.

These men, together with their management and professional associates, are directly responsible for our 1964 results. Because of their professional competence, their imagination, and their hard work, your Company has reached its present position of leadership in the packaging industry, and because of them we are confident it will grow and prosper. We commend them to you.

The rapid pace of technological change requires superior managerial performance and demands an ever increasing supply of talented and skilled people. We have taken and will continue to take the measures necessary to ready the manpower to run our business at maximum efficiency.

Board of Directors

During the year four members of our Board of Directors retired. Mr. Sidney J. Weinberg, Dr. William I. Myers and Mr. George E. Dyke reached the retirement age provided in the By-Laws of the Company. Mr. Parker Newhall retired because of ill health.

Mr. Weinberg was the dean of our Board, having served since 1930, and is so well known to us all that we hardly have to give you here a record of his years as a Company Director. Suffice it to say, his contribution to the success of our Company has been so great that every Continental shareholder owes him a debt of gratitude. Dr. Myers, a Director since 1947, had a broad knowledge of agriculture, economics and government, which was of inestimable value. Mr. Dyke, who—as head of the Robert Gair Company—joined us in 1956 along with Mr. Newhall, rendered invaluable service in the organization and development of our paper operations. We shall miss the guidance and counsel of all these fine directors.

To fill these vacancies, the Stockholders at the Annual Meeting last April elected:

Mr. George A. Murphy, Chairman of the Board, Irving Trust Company; Mr. Charles E. Saltzman, partner in Goldman Sachs & Co.; Dr. Fredrick J. Stare, Chairman of the Department of Nutrition at the Harvard School of Public Health; and Mr. Jack I. Straus, Chairman of the Board, R. H. Macy & Co.

The Year Ahead

The general economy and the demand for your Company's products continue to show great strength. There is every reason to expect that continued growth in our established product lines and the successful introduction of a steadily growing number of new and improved forms of packaging developed by our Company will add materially to our sales volume.

Our financial position is sound. Our plants and equipment are in excellent condition. Our research facilities are extensive and our scientists are creative. Our employees are capable, hard working, loyal and dedicated.

Your Company is ready for the future. The coming year will be full of challenges and opportunities. We look forward to meeting them with confidence.

By order of the Board of Directors,

Chairman of the Board

President

March 16, 1965

Financial and Operating Review

Sales

Net sales and operating revenues in 1964 reached a record high of $1,198,120,000 as compared with $1,154,024,000 for the year 1963, an increase of $44,096,000.

Sales totals by product lines were:

	1964 Total in Millions	1964 Per Cent	1963 Total in Millions	1963 Per Cent
Metal and Composite Containers	$ 643.3	53.7	$ 615.1	53.3
Paper Products and Flexible Packaging	373.8	31.2	355.4	30.8
Plastics, Glass and Closures	152.1	12.7	154.6	13.4
All Other . . .	28.8	2.4	28.9	2.5
Total . . .	$1,198.0	100.0	$1,154.0	100.0

Earnings

Net earnings of $48,869,000 also established a new record, with a 22% increase over the $40,112,000 earned in 1963. Earnings applicable to Common Stock, after Preferred dividends of $454,000, were equivalent to $3.97 per share on 12,188,295 shares outstanding at December 31, 1964, as against 1963 results of $3.27 per share on 12,126,448 shares outstanding at December 31, 1963. The return on sales increased to 4.1% from 3.5% in 1963.

Depreciation and Income Taxes

The total provision for depreciation and depletion in 1964 was $44,083,000 compared with the 1963 provision of $42,826,000.

In 1964 we continued to use the accelerated depreciation methods and useful life guidelines permitted by the Internal Revenue Service for tax purposes, thereby reducing income taxes payable on 1964 earnings by approximately $11,600,000. These tax savings in the current year have been added to the reserve for deferred income taxes and do not affect reported income since straight line depreciation, consistent with prior years' reporting, is used for financial statement purposes.

The investment tax credit for 1964 ($2,670,000) and the unamortized portion for 1962 and 1963 ($1,800,000) have been used to reduce the provision for income taxes. In 1963 the portion of the investment tax credit used to reduce the provision for income taxes was $1,056,000.

Disposition of Earnings

Dividends of $24,752,000 were paid to stockholders in 1964 and $24,117,000 was reinvested in the business. Dividends paid in 1963 were $24,577,000 and reinvested earnings were $15,535,000.

Working Capital

Working capital at the year-end was $176,500,000, a decline of $700,000 from $177,200,000 at the end of the previous year. The ratio of current assets to current liabilities at December 31, 1964 was 2.3 to 1, as compared with a ratio of 2.6 to 1 at the end of 1963.

Capital Expenditures

In 1964 capital expenditures reached $58,900,000 compared with $56,100,000 in 1963. New converting plants completed in 1964 were: a fibre drum plant at Culloden, West Virginia; metal can plants at Pennsauken, New Jersey, Los Angeles, California, and Kentville, Nova Scotia; and two new flexible packaging plants at Paoli, Pennsylvania and Columbus, Georgia to replace two older and smaller plants. Our paper bag mill at Hodge, Louisiana has been enlarged, and our Piermont, New York folding carton plant has been completely modernized. The printing and extrusion-laminating capacity of our Flexible Packaging Division was increased; new higher speed paper cup machines were installed in the Bondware Division; and in the Bond Crown Division, additional equipment was installed for compound lined crowns with a new easy opening feature. The Metal Operations Group added several lines of equipment for beverage cans, aerosol cans and easy opening ends.

In 1965 capital expenditures are expected to reach $80,000,000, principally because of the large expansion program in our Augusta mill. Substantial expenditures will be made to produce two-piece seamless cans of aluminum. Several small plants for producing beverage cans and another fibre drum plant will be added. Several lines of equipment for beverage and aerosol cans and for easy opening ends and bottle crowns will be installed in existing plants. As usual, our program includes numerous projects aimed at improving our regular line of products, modernizing some facilities, and reducing manufacturing costs.

Sale of Phosphate Deposits

On September 1, 1964 the Company signed an agreement with Occidental Petroleum Corporation for the sale of phosphate deposits under a portion of the Company's forest lands in Florida at a price of 40 cents per ton, payable over a 15 year period, with annual minimum payments of $300,000. Exploratory drilling indicates the existence of at least 30 million tons of recoverable phosphate under the lands included in the above agreement. Occidental has the right to explore our adjacent lands over the next five years, and to bring any additional phosphate reserves discovered into this present contract.

Group Insurance and Pensions

The cost of employee group insurance was $16,101,000. In the previous year it was $14,633,000. This insurance provides health and accident, hospitalization, surgical and life benefits for all employees. Dependents participate in many of these benefits.

We contributed $14,168,000 to our various pension funds for 1964, as compared with $12,209,000 for 1963. At the year-end 3,537 retired employees were receiving pensions under the Company's active pension plans, as compared with 3,167 employees a year earlier.

The average number of employees during 1964 was 48,661.

Sale of Glass Container Plants

During 1964 the Company sold the nine glass container plants acquired from the Hazel-Atlas Glass Company in 1956. Eight of these plants were sold to Brockway Glass Company, Inc. In this transaction, the Company acquired 1,000,000 shares of that company's Class B Common Stock. This stock is non-voting while held by Continental and dividends on the Class B shares will be restricted until Brockway's annual net earnings reach approximately $5,800,000, or ten years from the date of purchase, whichever occurs first. Thereafter, the Class B stock is entitled to the same dividend as Class A stock and should Continental decide to dispose of its interest by distribution to Continental shareholders or sale to the public, the Class B stock is convertible share for share into Class A stock. The one remaining glass container plant was sold to Alexander H. Kerr and Company for cash, plus a small amount of the Common Stock of Kerr Glass Manufacturing Corporation, which will be non-voting while owned by Continental.

The above transactions resulted in a reduction of $21,950,000 in retained earnings, which is the excess of the book value of the assets sold, plus the liabilities (principally for pensions) and guaranties assumed by the Company, over the estimated fair value of the stock and cash received, net of related income tax reductions.

Retained Earnings

After giving effect to the reduction for the sale of the glass container plants and all other 1964 transactions, Retained Earnings at December 31, 1964 were $280,593,000 as compared with $278,426,000 at December 31, 1963.

Stockholders

At the year end 889 stockholders held 113,190 shares of Preferred Stock and 65,906 stockholders held 12,188,295 shares of Common Stock, exclusive of 36,810 Preferred shares and 336,191 Common shares in treasury. Approximately 89% of the registered stockholders were individuals holding about 42% of the outstanding Common shares.

L. Wilkinson

Executive Vice President,
Finance and Administration

Principal Organizational Changes

RAYMOND G. FISHER, formerly Vice President and General Manager, Flexible Packaging Division, was elected Vice President and General Manager, Central Metal Division.

ROBERT D. HEAVISIDE, formerly General Manager, Eastern Metal Division, was elected Vice President and General Manager, Eastern Metal Division.

FRED W. HOOVER, JR., formerly Vice President and General Manager, Hazel-Atlas Glass Division, was elected Vice President and General Manager, Consumer Products Division.

BRUCE R. PETERSEN, formerly General Manager, Bondware Division, was elected Vice President and General Manager, Flexible Packaging Division.

S. BRUCE SMART, JR., formerly Vice President and General Manager, Central Metal Division, was elected Vice President, Marketing and Corporate Planning.

PETER P. WOJTUL, formerly Vice President and General Manager, Folding Carton & Drum Division, was elected Vice President, Secretary-Treasurer.

LENVIK YLVISAKER, formerly Vice President, Research and Engineering, was elected Vice President of Manufacturing.

C. RUDOLPH MOOR, formerly Executive Representative—Europe, was elected Resident Vice President—Europe.

CHARLES F. LENHARD, formerly General Manager, Plastic Container Division, was appointed General Manager, Bondware Division.

KENNETH G. MICHEL, formerly Assistant to Executive Vice President, Plastics and Closures Operations Group, was appointed General Manager, Plastic Container Division.

EDWARD H. PETRICK, formerly Assistant to Executive Vice President, Paper Products Operations Group, was appointed General Manager, Folding Carton Division.

JOHN F. SIMONS was appointed General Manager of Industrial Relations.

DONALD S. THOMPSON was appointed General Manager, Fibre Drum Division.

ROBERT E. WOODS, formerly Control Officer, was appointed General Manager, Bond Crown Division.

GEORGE F. KOETHER was appointed Director of Public Relations.

WARREN W. NISSLEY was appointed Director of Corporate Planning.

DAVID WETHERHORN, formerly Assistant Director of Research and Development, was appointed Director of Research and Development, Paperboard and Kraft Paper Division.

The Growing World of Continental Can

Your Company's success in 1964—an all time high in sales and earnings—is eloquent evidence that Continental has, indeed, moved aggressively into the growing world of packaging.

The Meaning of The "Packaging Revolution"

Last year the plants of our customers filled and closed more packages, wholesalers and retailers stocked more merchandise, and American consumers carried more packages home than ever before. In 1964, the total value of packaging production reached a new high level.

The "packaging revolution," however, means more than additional volume. It also means

incessant and ever-quickening change. The demand for new packages, and for new dispensing and opening devices, has grown a hundredfold in the past few years. Every packer wants something new, different and better which will distinguish him from his competitors.

To meet the demands of this new era of rapid change your Company—the most diversified packaging company in the world—has a wealth of materials: metals, fibres, plastics—from which singly, or in combination, it can produce containers to meet the market demand.

Continental is not limited to any specific material or method. It possesses the flexibility and experience to provide packaging which meets the needs of the packer, the retailer and, most important of all, the housewife.

Your Company has recognized this challenge of change and is well equipped to turn that challenge into profit opportunity. Last year Continental's research program was further strengthened by a major reorganization to achieve a better balance between long and short term objectives. Corporate Research and Development now performs basic, advanced work. Corporate Equipment Engineering is responsible for fundamental engineering and equipment design. Operating Division Research departments improve existing products and supply technical service to Continental's plants and customers. The work of hundreds of scientists, engineers and technicians in Continental's Technical Center in Chicago—the finest in the industry—provides the packaging progress that will keep Continental ahead.

Continental's spiral, self-opening can tops, first used for citrus fruit concentrates, are being rapidly adopted for many other products. Left, yearly improvements in the Continental U-Tab for beverage cans. Bottom, a new 1965 model with a pull ring.

Metal—New Features and Old Favorites

In 1964, slightly more than half of your Company's sales came from the Metal Operations Group. For many years, this group produced cans almost exclusively from tinplate or steel. Today, the use of aluminum and fibre-bodied composite cans is increasing. Your Company is devoting major research and development efforts to new combinations of steel, aluminum, plastic, paper and foil.

Growth in the can industry has been greatest in beer, soft drink and aerosol cans. Last year, for the first time, 10 billion cans of beer were consumed. A major factor in the establishment of this record has been the phenomenal acceptance of the self-opening pull-tab lids.

Today, more than half of all beer cans have this self-opening feature and Continental is playing the lead in its programmed improvement. Production of Continental's U-Tab with a smoother, rounded edge, continues to expand, and the U-Tab is beginning to appear in foreign markets under licensing arrangements.

Soft drink consumers are also voting strongly for the can. In 1964, 10 per cent of all soft drink containers bought in grocery stores were cans; five years ago, the can had only 2 per cent of this market. As in the case of beer, the "no-return, no-deposit" convenience of the soft drink can is now being reinforced by the introduction of the self-opening pull-tab lids.

Continental is also marketing a line of Triple-C self-opening can lids for citrus concentrate, for other food and non-food products.

The aerosol can continues to capture old markets and create new ones. Developed originally

Aerosol cans are now used for such diverse products as hair sprays, shaving lather, paints, disinfectants, de-icers, waxes and polishes. 1964 saw 1.4 billion aerosols filled, a tenfold increase over the level in 1953. Continental manufactures a wide range of sizes.

by Continental for insecticides, aerosols are now used for an ever increasing variety of products.

Even more sweeping changes in can making lie just ahead. Your Company recently announced a program to introduce two-piece aluminum cans for beer and carbonated beverages. Complete conversion to this new container may well involve one of the largest investments ever made by a packaging company to develop a single product.

Plastics and Closures—Progress In The Bottle Market

The growth in the market for rigid plastic bottles has been one of the most dramatic stories in packaging history. Last year, nearly three billion plastic bottles were bought by the American housewife.

Continental has been a major factor in this new market from the very start. Plastic blow molding machines, designed by Continental Can, produce as many as 7,500 bottles an hour and our Plastic Container Division has six plants to serve major markets across the nation.

Even greater prospects lie ahead. New plastic bottles—made of "plastic alloys"—are impervious to certain types of chemicals, and unbreakable, disposable bottles as clear as glass will soon be available. A breakthrough for plastic into the large milk and food markets is coming closer to reality.

In closures, too, Continental plays a commanding role. White Cap "Twist-Off" closures on jars and "Snap-Reseal" closures on tumblers have become standard for glass packed foods. And in the market for bottle caps, Continental's "Easy-Off" self-opening crown, which enables beer drinkers to open bottles without an opener, went into commercial production in 1964.

Rigid plastics meet many unusual packaging functions. Blow-molded bottles for bleach, milk, and paint; tubes for dynamite and for mass coin counting systems; other containers for fruit concentrates and welding rods—only a few examples of varied packaging developments.

Paper—Impressive Growth: Past, Present and Future

Your Company is one of the principal producers of paperboard in the United States. As such, it is uniquely situated to capitalize on its packaging experience and the great growth potential of paper in packaging. A nation's consumption of paper is a good indicator of its prosperity, and this country's appetite for paper and paper products is enormous. The U. S. boasts the highest annual per capita consumption for paper and paperboard in the world—approximately 475 lbs. per capita. Between 1943 and 1963, paper and paperboard production has increased 129 per cent.

Packaging absorbs a large proportion of this paper production and your Company's integrated position in the paper industry enables it to take advantage of the growing market for paper packaging. Continental controls about 1¼ million acres of timberland in seven southern states. Planned forest management and replanting programs provide the maximum yield from these forest resources. Continental maintains research nurseries for the production of trees to produce better fibre.

The capacity of Continental's paper mills is being expanded. The newest mill, completed in 1961 at Augusta, has an annual production of more than 120,000 tons of high quality bleached paper board—used for cartons, plates, cups and food containers. It is now being enlarged by the addition of a pulp mill and a second paper machine. More modest expansion programs have been completed at Continental's Hodge, Louisiana and Hopewell, Virginia mills.

Ingenious developments are making it possible to use paper in more rugged packaging

Heavy duty packaging requires ingenuity in combining materials. At top, a cut-away of a fibre drum with polyethylene insert for hard-to-hold liquids; center, a new box which displays a "crown" of apples for better shopper appeal; foreground, a lamination of paperboard and corrugated tinplate for special-purpose boxes.

jobs. For example, corrugated bulk boxes with double sidewalls can hold more than half a ton of loose material and can be safely stacked.

Continental is entering another new field of paper packaging. A machine recently installed at Hodge, Louisiana will produce outer bags in which as many as 10 five-pound bags of sugar or dog food can be shipped from a packer's plant to the retail store.

Packaging Systems & Equipment— A Complete Packaging Service

Your Company has always recognized that it must complement its line of containers by supplying customers with the finest in container handling and closing equipment. Continental equipment is used with cans, closures, folding cartons, and flexible packaging, and will shortly be in commercial use with corrugated shipping containers.

A further advance in the quest for higher can closing speeds will shortly be made with the introduction of a Continental machine capable of closing cans at a rate up to 1500 per minute.

Your Company's White Cap Division has led the closure field for years by the excellent design of its high speed "Vapor-Vacuum" capping machines and its broad line of auxiliary equipment for glass packaging.

In recent years, the Folding Carton Division has gained a strong position in the field of wrap around six-pack carriers with its Jak-Et-Pak machines. So far, Jak-Et-Pak has been used primarily for multi-pack carriers for beer and soft drinks. Now, it is entering other markets where multi-packing will provide convenience for distributors and consumers.

In 1964, the first of Continental's Royal-Vac machines were placed in commercial operation

A new system of bulk packaging is born. This Tite-Pack machine provides better packaging at lower cost by tightly wrapping a corrugated box around cans in a customer's plant at speeds over 2,000 boxes per hour

in customers' plants. The Royal-Vac machine forms vacuum packages around food products from pre-printed rolls of plastic film. These machines are now being used to make packages which give added protection to such products as bacon, meat, frankfurters and cheese.

The latest in packaging equipment which Continental has developed for its customers is the Tite-Pack Corrugated Packaging System. With this equipment, a corrugated blank is formed around cans at high speed. The first prototype installation of this new automatic system went into operation early in 1965.

Consumer Products—A Vast New Market for Continental

A significant event in 1964 was Continental's move to strengthen your Company in the consumer field. Last November, Continental consolidated several consumer product lines into a Consumer Products Division to market items to the public under Continental's brand names.

These products include "Bondware" paper plates and cups; "Decoware" metal housewares and "Hazelware" glassware for the home.

These consumer products are sold in supermarkets, variety, drug and department stores and other retail outlets. Your Company plans to expand these lines and add other lines which will increase its participation in these markets.

The growth potential for Continental in these direct-to-consumer lines is evidenced by the total market recorded by government figures for the (last available) full year of 1963. The consumer market for paper plates and cups totalled $100 million. The market for glass tableware was $216 million. Total market for housewares was *more than $8 billion,* and, it is estimated, will grow to $10 billion in 1965.

At right, a small selection of Continental's broad line of Consumer Products, available at most high volume retail outlets. Indicating their growth potential, Bondware for example, is selling in one of the fastest growing product classifications in America's supermarkets.

Canada—a "Continental" Country

Continental Can Company of Canada, the largest diversified packaging company in the country, makes some products, such as milk cartons and gummed tape, not made by Continental in the U.S.A. The Canadian Company now has a total of 24 plants stretching from the Atlantic to the Pacific coast producing the finest in containers and packaging from metal, paper and plastic.

Overseas—an Old World of New Growth

Continental's international operations cover the free world, with the greatest concentration in Western Europe, where the consumption of packaged foods and the number of self-service stores is steadily increasing. Inevitably, more and better packaging will follow and the growth of convenience packaging in Europe is expected to parallel that in the United States.

Your Company has a balanced operation overseas which includes export sales, investment in foreign companies and technical service licensing agreements. All of these activities showed an increase in 1964. The Overseas Division exports 17 product lines and has more than 60 licensing agreements with the finest packaging companies throughout the free world. Long cultivation of these relationships provides a solid base for future growth.

In 1964, arrangements were made to manufacture Continental's Bondware line of paper cups and food containers in Germany. In France, there is marked interest in blow-molded plastic bottles and several Continental developed machines will be supplied and used under technical service and licensing agreements.

Around the world, containers in metal, plastic and paper are being produced through licensing arrangements with foreign companies and by subsidiaries of Continental. Here, a metal wine can from France, a plastic detergent bottle from Japan, a milk container for Saudi Arabia and paper cups from Colombia illustrate the spread of packaging ideas abroad.

STATEMENT OF CONSOLIDATED EARNINGS and Retained Earnings

	In Thousands of Dollars	
	1964	1963
INCOME		
Net Sales and Operating Revenues	$1,198,120	$1,154,024
Other Income	3,324	2,751
	1,201,444	1,156,775
COSTS AND EXPENSES		
Cost of Goods Sold and Operating Expenses	972,660	941,103
Selling, Administrative and Research	83,730	79,704
Depreciation and Depletion	44,083	42,826
Interest	7,802	7,930
	1,108,275	1,071,563
EARNINGS BEFORE INCOME TAXES	93,169	85,212
PROVISION FOR INCOME TAXES	44,300	45,100
NET EARNINGS FOR THE YEAR	48,869	40,112
DIVIDENDS ON PREFERRED STOCK	454	484
NET EARNINGS APPLICABLE TO COMMON STOCK (1964—$3.97 per share; 1963—$3.27 per share)	48,415	39,628
DIVIDENDS ON COMMON STOCK (1964—$2.00 per share; 1963—$1.95 per share)	24,298	24,093
RETAINED EARNINGS		
Current Year	24,117	15,535
Previous Years	278,426	262,891
Reduction Resulting from Sale of Glass Container Plants (Net)	(21,950)	—
RETAINED EARNINGS—December 31	$ 280,593	$ 278,426

See notes to Financial Statements

CONSOLIDATED BALANCE SHEET

ASSETS

	In Thousands of Dollars December 31 1964	1963
Current Assets		
Cash and Short Term Securities	$ 56,122	$ 37,461
Receivables, less Allowances	85,234	83,463
Inventories: Raw Materials and Supplies	59,183	58,272
Work in Process and Finished Goods	112,870	108,328
Total Current Assets	313,409	287,524
Investments and Advances	44,566	18,625
Property, Plant and Equipment (at cost)		
Land	9,494	9,927
Buildings and Equipment	741,892	767,205
Timberlands	64,534	62,324
Construction in Progress	29,165	24,471
	845,085	863,927
Less—Accumulated Depreciation and Depletion	361,114	366,912
	483,971	497,015
Deferred and Prepaid Items	10,599	8,724
	$852,545	$811,888

See notes to Financial Statements

LIABILITIES	*In Thousands of Dollars* December 31 1964	1963
Current Liabilities		
Payables and Accruals	**$107,125**	$ 81,210
Current Portion of Long Term Debt	**3,715**	2,296
Tax Accruals	**26,086**	26,816
Total Current Liabilities	**136,926**	110,322
Reserves		
Deferred Income Taxes	**50,029**	42,820
Other	**11,127**	3,520
	61,156	46,340
Long Term Debt	**164,766**	168,602
Stockholders' Equity		
Capital Stock		
$3.75 Cumulative Preferred	**11,319**	12,900
Common ($10.00 par value)	**125,245**	124,633
Paid in Surplus	**86,790**	84,942
Retained Earnings	**280,593**	278,426
	503,947	500,901
Less—Common Stock in Treasury, at Cost (1964—336,191 shares; 1963—336,843 shares)	**14,250**	14,277
	489,697	486,624
	$852,545	$811,888

See notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

General

The financial statements include the accounts of all significant subsidiaries, all of which are wholly owned. As to Canadian subsidiaries included in the statements, net current assets are expressed in United States dollars at the year-end rate of exchange; fixed assets (and related depreciation) and non-current liabilities at rates prevailing at dates of acquisition or origin; and income and expenses (other than depreciation) at rates prevailing during the year.

Inventories

Inventories are stated at the lower of cost or market. Cost was determined on the last-in, first-out (LIFO) basis as to approximately 32% of the 1964 inventory (29% in 1963) and principally standard or average cost as to the remaining inventory.

Investments

Investments include stock of Brockway Glass Company, Inc., and Kerr Glass Manufacturing Corporation at estimated fair value, and investments in associated companies at cost. The aggregate market value of investments in associated companies for which quotations were available was approximately $15,175,000 in excess of cost ($6,029,000) at December 31, 1964.

Reserves

The reserve for deferred income taxes was increased by $11,600,000, the amount of the tax savings arising in the current year from the use of accelerated depreciation methods and useful life guidelines. However, this reserve was then reduced by $2,590,000, the amount of the total cumulative tax savings resulting from the use of accelerated depreciation on the glass container plants sold in 1964. The reserve was further reduced by $1,800,000 for the unamortized prior years' investment credit which was applied to reduce the current provision for income taxes.

The increase in other reserves results almost entirely from the recognition of pension obligations (net of tax effect) toward the employees of the glass plants sold.

Long Term Debt

	In Thousands of Dollars December 31, 1964	1963
3⅛% sinking fund debentures due December 1, 1965	$ —	$ 479
3⅜% debentures due October 15, 1976	9,600	10,050
3¼%-3¾% sinking fund debentures due November 1, 1995	39,502	39,502
3¾% promissory notes due November 1, 1995	25,000	25,000
3¾%-4¼% promissory notes due June 1, 1983	1,232	1,293
4% promissory notes due July 1, 1982	22,950	24,300
4⅝% debentures due October 1, 1985	29,000	30,000
5% promissory notes due April 1, 1980	35,000	35,000
5% promissory notes due June 25, 1970	2,482	2,978
	$164,766	$168,602

The Company is required to apply toward the retirement of the principal of the indebtedness not less than the following amounts for the period 1965 through 1969: 1965—$3,715,000 (included in current liabilities), 1966—$5,460,000, 1967—$5,462,000, 1968—$5,465,000, 1969—$5,468,000.

Capital Stock

At December 31, 1964, the capital stock of the Company consisted of the following:

	SHARES Authorized	Issued	In Treasury	Outstanding
$3.75 Cumulative Preferred (without par value)	150,000	150,000	36,810	113,190
Common ($10 par value)	15,000,000	12,524,486	336,191	12,188,295

At December 31, 1964, 381,663 shares of Common Stock (either unissued or treasury shares) were reserved for sale under employees' stock purchase plans or for deferred compensation contracts.

Paid in Surplus

The increase in 1964 of $1,848,000 resulted principally from the sale of Common Stock under employees' stock purchase plans.

Stock Purchase Plans

The Company has two plans for granting Common Stock purchase options to employees at 90 to 100 per cent of the mean between the high and low price of the stock on the New York Stock Exchange on the day of the grant. At December 31, 1964, there were outstanding options to purchase 373,389 shares at prices ranging from $36.75 to $53.25 per share. Options to purchase 84,161 shares are now exercisable and the remaining options granted become exercisable in annual installments over a period not longer than 10 years from the option date. No further options will be granted under either plan. During 1964, 61,195 shares were purchased by employees for $2,317,000.

Anti-trust Suits

In 1956 the Department of Justice brought two suits against the Company claiming violations of the Clayton Act in connection with the mergers into the company of Robert Gair Company, Inc., and Hazel-Atlas Glass Company. The Company has filed its answer denying the material allegations of the complaint involving Robert Gair Company, Inc., and the complaint is still pending. In the case involving the Hazel-Atlas Glass Company, on June 22, 1964 the United States Supreme Court reversed the District Court Order dismissing the complaint. Subsequently, on November 18, 1964 the District Court entered an Order requiring the Company to divest itself of the glass container plants acquired in the merger of the Hazel-Atlas Glass Company. The Company has complied with all the provisions of this Order.

In 1963 the Department of Justice brought a suit against the Company and several other companies in the corrugated container industry claiming violation of the Sherman Act in connection with the conduct of business in that industry. The Company has filed its answer denying the material allegations of the complaint, which is still pending in the United States District Court for the Middle District of North Carolina.

Miscellaneous

Refer to Financial and Operating Review (pages 6-7) for further information regarding sale of glass container plants, income taxes, and pensions.

AUDITORS' REPORT

HASKINS & SELLS

CERTIFIED PUBLIC ACCOUNTANTS

TWO BROADWAY
NEW YORK 10004

February 15, 1965

To the Board of Directors and Stockholders,
Continental Can Company, Inc:

We have examined the consolidated balance sheet of Continental Can Company, Inc. and consolidated subsidiaries as of December 31, 1964 and the related statement of consolidated earnings and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and statement of consolidated earnings and retained earnings present fairly the financial position of the companies at December 31, 1964 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Haskins & Sells

Working Capital Changes

	In Millions of Dollars			
	1964		1963	
WORKING CAPITAL, AS OF JANUARY 1:				
Current Assets	$287.5		$301.7	
Less Current Liabilities	110.3	$177.2	121.1	$180.6
ADDITIONS TO WORKING CAPITAL:				
Net earnings for the year	48.9		40.1	
Items which do not require the outlay of funds:				
Depreciation and depletion	44.1		42.8	
Deferred portion of income taxes	9.8*		15.0	
Increase in reserves	.6*		.2	
Provided from operations	103.4		98.1	
Disposition of plant, property and equipment	2.3*		2.7	
Sale of Common Stock to employees	2.3		1.2	
Other	—		2.5	
Total Additions		108.0		104.5
		285.2		285.1
DEDUCTIONS FROM WORKING CAPITAL:				
Capital expenditures for plant, property and equipment	58.9		56.1	
Investments and Advances	2.2*		10.0	
Dividends to stockholders	24.8		24.6	
Common and Preferred Stock reacquired	1.4		15.0	
Decrease in long-term debt	3.8		2.2	
Other	1.9		—	
Net effect on working capital due to disposition of glass plants	15.7		—	
Total Deductions		108.7		107.9
WORKING CAPITAL, AS OF DECEMBER 31:				
Current Assets	313.4		287.5	
Less Current Liabilities	136.9		110.3	
		$176.5		$177.2

* Excluding changes due to disposition of glass container plants.

TEN YEARS IN REVIEW 1964 - 1955

(in thousands of dollars)

INCOME STATISTICS	1964	1963	1962	1961	1960	1959
Net Sales and Operating Revenues	$ **1,198,120**	1,154,024	1,182,906	1,153,331	1,116,956	1,146,529
Earnings before Income Taxes	$ **93,169**	85,212	86,768	76,937	58,803	80,509
Per cent on sales	**7.8%**	7.4%	7.3%	6.7%	5.3%	7.0%
Net Earnings after Income Taxes	$ **48,869**	40,112	40,968	36,137	27,803	40,009
Per cent on sales	**4.1%**	3.5%	3.5%	3.1%	2.5%	3.5%
Net Earnings applicable to Common	$ **48,415**	39,628	40,473	35,629	27,283	39,477
Per share	$ **3.97**	3.27	3.26	2.87	2.21	3.21
Preferred Dividends	$ **454**	484	495	508	520	532
Common Dividends	$ **24,298**	24,093	22,336	22,261	22,184	22,033
Per share	$ **2.00**	1.95	1.80	1.80	1.80	1.80
Retained Earnings	$ **24,117**	15,535	18,137	13,368	5,099	17,444
Depreciation and Depletion	$ **44,083**	42,826	42,655	39,605	35,822	34,096
BALANCE SHEET STATISTICS *(December 31)*						
Working Capital	$ **176,483**	177,202	180,622	166,365	158,202	154,137
Ratio Current Assets to Current Liabilities	**2.3–1**	2.6–1	2.5–1	2.4–1	2.4–1	2.1–1
Plant and Equipment—Net	$ **483,971**	497,015	486,434	482,495	477,400	435,092
Long Term Debt	$ **164,766**	168,602	170,755	183,534	185,711	144,601
Preferred Stock	$ **11,319**	12,900	13,117	13,360	13,800	14,100
Common Stock Equity	$ **478,378**	473,724	470,690	451,836	440,629	436,482
Per share	$ **39.25**	39.07	37.90	36.44	35.74	35.44
Common Shares Outstanding	**12,188,295**	12,126,448	12,419,558	12,400,907	12,330,326	12,314,651
OTHER STATISTICS						
Capital Expenditures	$ **58,900**	56,100	49,900	47,800	82,200	88,900
Average Number of Employees	**48,661**	49,138	49,094	49,332	50,651	51,817
Payrolls and Other Employment Costs	$ **399,352**	381,929	375,200	365,900	359,600	360,100
Tons of Paper and Paperboard Production	**1,349,717**	1,293,110	1,243,795	1,180,012	1,074,817	1,084,928
Timberland Holdings—Number of Acres	**1,265,590**	1,261,212	1,242,703	1,214,863	1,211,927	1,175,541

Figures adjusted where required to give effect to 100% Stock Distribution on February 15, 1956.

1958	1957	1956*	1955
1,080,393	1,046,267	1,010,268	666,266
84,256	81,324	88,861	48,272
7.8%	7.8%	8.8%	7.2%
41,388	41,040	43,143	24,172
3.8%	3.9%	4.3%	3.6%
39,851	39,432	41,515	23,610
3.51	3.52	3.72	3.22
1,537	1,608	1,628	563
20,225	20,131	20,596	10,972
1.80	1.80	1.80	1.50
19,626	19,301	20,919	12,638
29,120	26,278	23,421	13,607
166,596	143,066	139,823	110,816
2.4–1	2.1–1	2.1–1	2.6–1
381,455	376,771	343,376	189,012
135,060	133,328	116,346	79,648
32,797	37,982	38,438	15,000
381,769	356,435	336,820	218,939
33.62	31.86	30.16	29.89
11,355,315	11,186,542	11,169,312	7,323,676
38,100	62,300	80,500	24,400
51,892	53,886	53,717	32,187
330,800	327,800	305,300	179,000
969,747	978,779	1,036,172	233,194
1,129,009	987,038	953,847	203,002

* *Includes merged companies.*

CONTINENTAL'S PRODUCT LINES

Metal and Composite Containers

Ten Years Ago

Tinplate and Blackplate cans
"Decoware" metal housewares
Steel pails

Added Since 1954

Fibre bodied cans
Three-piece aluminum cans
Two-piece drawn aluminum cans
Easy opening pull-tab ends for beer and beverage cans
Triple-C easy opening ends
Plastic reclosure coffee cans
Steel drums

Paper Products and Flexible Packaging

Ten Years Ago

Linerboard
Fibre Drums
"Bondware" paper cups and plates
Paper food tubs
Paper milk cartons (Canada only)
Cellophane, polyethylene and other plastic films, pouches and bags
Flexible laminated packaging materials
Specialty paper bags for coffee and other food products
Vacuum cleaner bags
Turpentine and other pulp mill by-products

Added Since 1954

Corrugating medium
Cylinder boxboard
Bleached paperboard for cups, plates, cartons and tubs
Kraft converting paper
Corrugated boxes
Folding cartons
Multipack carriers for bottles, cans
Egg cartons
Wrapping paper
Grocers' bags and sacks
Variety, department store, dry cleaner and other merchandise bags
Multiwall shipping sacks
Merchandising displays
Gummed tape (Canada only)

Plastic and Glass, Including Closures

Ten Years Ago

Plastic squeeze bottles
Molded plastic products
Disposable plastic baby bottles
Crowns for beer and beverage bottles

Added Since 1954

Rigid plastic bottles
Plastic cups
Plastic food tubs
Easy-opening crowns
Twist-Off, pry-off, and Snap-Reseal vacuum closures for bottles, jars
Metal screw caps
"Hazelware" glassware
Packers' tumblers and industrial glassware

Other

Ten Years Ago

Can closing and handling equipment
Products made from cork

Added Since 1954

White Cap "Vapor-Vacuum" closure equipment
"Jak-Et-Pak" multipack folding carton equipment
"Royal-Vac" flexible packaging equipment
"Tite-Pack" corrugated box equipment

Division General Managers and Corporate Staff

Paper Products Operations Group

WILLIAM M. ALLIN
Vice President, General Manager
Paperboard and Kraft Paper Division

LEWIS B. PITTS
Vice President, General Manager
Corrugated Container Division

EDWARD H. PETRICK
General Manager,
Folding Carton Division

DONALD S. THOMPSON
General Manager,
Fibre Drum Division

LOUIS F. KALMAR
General Manager,
Woodlands Division

Plastics and Closures Operations Group

BRUCE R. PETERSEN
Vice President, General Manager
Flexible Packaging Division

ROBERT P. WHITE
Vice President, General Manager
White Cap Division

CHARLES F. LENHARD
General Manager,
Bondware Division

KENNETH G. MICHEL
General Manager
Plastic Container Division

ROBERT E. WOODS
General Manager,
Bond Crown Division

Metal Operations Group

HORACE M. BLINN
Vice President, General Manager
Pacific Metal Division

RAYMOND G. FISHER
Vice President, General Manager
Central Metal Division

ROBERT D. HEAVISIDE
Vice President, General Manager
Eastern Metal Division

WILBUR K. NEUMAN
General Manager
Southern Metal Division

Consumer Products Division

FRED W. HOOVER, JR.
Vice President, General Manager

Equipment Manufacturing Division

AUBREY W. VAUGHAN, JR.
General Manager

Continental Can Company of Canada Limited

JAMES A. STEWART
President

E. EWART FRY
Executive Vice President,
General Manager

NEIL C. DARRACH
Vice President, General Manager
Metal Division

GEORGE L. URSAKI
Vice President, General Manager
Paper Products Division

Corporate Research and Development

DR. ROBERT B. MESROBIAN
General Manager,
Research and Engineering

JUSTIN SIMPSON
General Manager,
Corporate Equipment Engineering

DR. ROBERT M. BRICK
General Manager,
Corporate Research and Development

Corporate Staff

GUNNARD W. CARLSON
General Manager,
Construction Engineering Division

ROY T. EVANS, JR.
General Manager, Purchasing

LOWELL K. HANSON
General Manager, Overseas Division

THOMAS S. HARRISON
General Manager,
New Product Development

GEORGE F. KOETHER
Director of Public Relations

DONALD R. MELVILLE
Director of Marketing

WARREN W. NISSLEY
Director of Corporate Planning

JOHN F. SIMONS
General Manager, Industrial Relations

EVERETT A. WEATHERS
General Manager, Traffic

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Board of Directors

Since	
1951	STEPHEN D. BECHTEL *Chairman of the Board, Bechtel Corporation*
1951	PAUL C. CABOT *Chairman of the Board, State Street Investment Corporation*
1950	LUCIUS D. CLAY *Senior Partner, Lehman Brothers*
1948	GEORGE P. EDMONDS *Chairman of the Board, Wilmington Trust Company*
1951	THOMAS C. FOGARTY *Chairman of the Board of the Company*
1951	JOHN M. FRANKLIN *Chairman of the Board, United States Lines Co.*
1962	ELLISON L. HAZARD *President of the Company*
1962	HELMER R. JOHNSON *Attorney, partner in law firm of Willkie Farr Gallagher Walton & Fitz Gibbon*
1964	GEORGE A. MURPHY *Chairman of the Board, Irving Trust Company*
1956	REUBEN L. PERIN *Vice Chairman of the Board of the Company*
1964	CHARLES E. SALTZMAN *Partner, Goldman, Sachs & Co.*
1960	SHERROD E. SKINNER *Chairman, Board of Trustees, Aerospace Corporation. Retired Executive Vice-President, General Motors Corporation*
1964	FREDRICK J. STARE *Chairman of the Department of Nutrition, Harvard School of Public Health*
1960	CHARLES B. STAUFFACHER *Executive Vice President (Paper Products Operations) of the Company*
1964	JACK I. STRAUS *Chairman of the Board, R. H. Macy & Co.*

Corporate Officers, Head Office

THOMAS C. FOGARTY *Chairman of the Board*

REUBEN L. PERIN *Vice Chairman of the Board*

ELLISON L. HAZARD *President*

ROBERT S. HATFIELD *Executive Vice President, Metal Operations Group*

CHARLES B. STAUFFACHER *Executive Vice President, Paper Products Operations Group*

JAMES A. STEWART *Executive Vice President, Plastics and Closures Operations Group*

LAWRENCE WILKINSON *Executive Vice President, Finance and Administration*

S. BRUCE SMART, JR. *Vice President, Marketing and Corporate Planning*

PETER P. WOJTUL *Vice President, Secretary-Treasurer*

LENVIK YLVISAKER *Vice President, Manufacturing*

C. RUDOLPH MOOR *Resident Vice President—Europe*

DAVID R. ARNOLD *Comptroller*

WALTER BETZ, FRANKLIN J. CLIFFORD *Assistant Secretaries*

R. LEONARD CARLTON, JAY R. OLSON, JR. *Assistant Treasurers*

EDWARD J. LYNN *Assistant Comptroller*

Transfer Agents • Registrars • General Counsel

TRANSFER AGENTS

Common Stock

Bankers Trust Company
New York, N. Y.

National Trust Company Limited
Toronto and Montreal, Canada

$3.75 Cumulative Preferred Stock

Bankers Trust Company
New York, N. Y.

REGISTRARS

Common Stock

Irving Trust Company
New York, N. Y.

Eastern & Chartered Trust Company
Toronto and Montreal, Canada

$3.75 Cumulative Preferred Stock

Irving Trust Company
New York, N. Y.

GENERAL COUNSEL

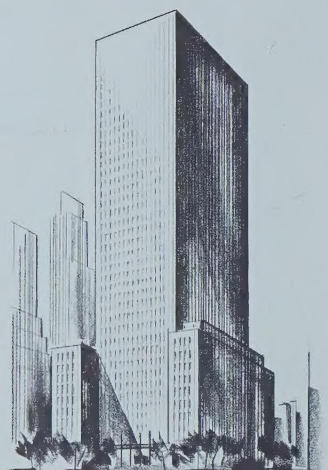
Willkie Farr Gallagher Walton & Fitz Gibbon
New York, N. Y.

SUMMARY: U. S. and CANADA

Plants and Facilities	
Metal Operations Group	58
Paper Products Operations Group	40
Plastics and Closures Operations Group	23
Continental Can Company of Canada, Limited	24
Research, Engineering and Development	8
	153
Sales Offices	113
Total	266

The World of Continental Can Company

In North America, the parent Company and the Continental Can Company of Canada, Limited, operate 153 plants. In South America, the Shellmar Companies are subsidiaries. In other parts of the free world, Continental licensees are the leaders in the production of metal containers for food canners and industry generally. Continental patents and know-how in plastic, crowns, vacuum closures, fibre drums, paper and flexible packaging are also widely licensed for use abroad. Continental's overseas activities date from 1930. They have developed out of the constantly growing demand for the Company's methods, machinery and experience in the packaging field. As world markets continue to expand, the wealth of technical information available from the Company will produce an even wider network of packaging partners.



Continental Can Company, Inc.
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